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memo w/att.	From Bell to The President (26 pp.) re: Security Preparations for the Pan American Games 2 pp. deckersed per RAC NLC-126-16-18-1-4 20 pp. brought formed 7/29//3	. in 2/1/79	A
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File Location Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Handwriting File [2/9/79-CF/OA 548] [Not Submitted] BOX 11%

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WASHINGTON 00 EEB 20 DATE: 1111 FOR ACTION: HAMILTON 2BIG BRZEZ DISKL Stone Paid advice toward State (See) and NSC (BLI) INFO CNLY: THE VICE PRESIDENT and showed not molors thus SUBJECT: HILL + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (455-7052) + BY: 1200 PM FRIDAY 10 FEB 79 ACTION REQUESTED: BULLET STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD. PLEASE NOTE OTHER COMMENTS BELOW: performance now they might be improved. Rich I in front of

WASHINGTON

DATE:

09 FEB 79

FOR ACTION: HAMILTON JORDAN

ZBIG BRZEZINSKI

INFO ONLY: THE VICE PRESIDENT

SUBJECT: SANDERS MEMO RE SECRETARY BROWN'S TRIP TO THE MIDDLE

EAST

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM FRIDAY 10 FEB 79

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON February 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

EDWARD SANDERS

SUBJECT:

Secretary Brown's Trip to the Middle East

It seems to me that an approach to Israel and Egypt which emphasizes the importance of both countries to the security interests of the United States and to peace and stability in the area, and which is reasonably forthcoming in terms of military equipment, can materially reinforce the peace process between Israel and Egypt and help us compensate for our losses in Iran and the Eastern Mediterranean.

I am convinced that a new assertion of our interest in bilateral security relations with Israel and Egypt would be tremendously reassuring to both President Sadat and Prime Minister Begin in the wake of Iranian developments. It would renew faith in the U.S., dilute the appearance of a "Vietnam complex" and encourage both sides to think in broader terms and place regional interests ahead of some of the technical problems in the peace negotiations.

The United States can profit from further military cooperation with Israel in a number of ways. For example, if the Israelis give us contingency rights to use the bases we are building for them in the Negev, we would increase our own capability, and decrease Soviet capability, of projecting force in the Eastern Mediterranean and the Persian Gulf. Naval cooperation with Israel could help improve the maritime balance by improving our surveillance and fleet operation capability. Moreover, technological cooperation can provide us with essential feedback on the performance of U.S. systems and how they might be improved.

I would think that establishment of a regularized process for consultation on mutual security problems and increased activities, such as naval visits and fly-ins to both Israel and Egypt, would be highly desirable.

Beyond approaching the Israelis in this way, I share Sam Lewis' view that Secretary Brown carry with him some answer to Israel's supplementary economic aid request. In this regard, I think it would be extremely useful if Secretary Brown could invite the Israelis to send a team here to discuss their economic aid requests.

I think that the foregoing are some of the ingredients needed to make Secretary Brown's trip a successful precursor to the completion of the negotiations between Israel and Egypt.

cc: Hamilton Jordan

THE WHITE HOUSE WASHINGTON

2/9

In conversation with hele

belly an A.b.'s gree
staff comments were useful.

this office were week with

Endenhung + Disc to verbally

commendate to appropriate

Cabinet officers.

of a people persist, They will would will see to put on Cabinet My Aunda.

15y

WASHINGTON

DATE:

05 FEB 79

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ - attached - of all JIM MCINTYRE (Par) affailed

BERNIE ARONSON

SUBJECT:

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

TIM KRAFT

JODY POWELL

JERRY RAFSHOON

JACK WATSON -

ATTORNEY GENERAL BELL MEMO RE SECURITY PREPARATIONS FOR

PAN AMERICAN GAMES AND PENDING PROBLEMS

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1200 PM WEDNESDAY 07 FEB 79

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



Office of the Attorney General Washington, A. C. 20530

February 1, 1979

MEMORANDUM FOR:

President Carter

FROM:

Griffin B. Bell Attorney General 35

SUBJECT:

Security Preparations for Pan American

Games and Pending Problems

1. Background

The Games will be held the first two weeks of July 1979 in San Juan, Puerto Rico. Authorities expect 9,000 athletes and trainers, 1,000 foreign officials and VIP's and more than 20,000 sports fans, representing 34 nations in the Western Hemisphere, including the United States. Responsibility for security rests with the Commonwealth of Puerto Rico and last November was assigned by the Governor to the Police of Puerto Rico (POPR), an island-wide force of 9,000. Basic security will be provided by about 3,000 uniformed men: 2,000 from the POPR and 1,000 from the National Guard which has a total of 9,000 men.

Justice's Role

To date, the Justice Department's participation has been essentially twofold:

- (1) FBI has provided: experts to help with the planning, training concerning SWAT team operations and bomb disposal, and intelligence.
- (2) LEAA has agreed to provide three million dollars in reprogrammed funds for training, salardes and overtime for Guard and Police personnel on a basis similar to LEAA support of the 1976 Convention in New York City.

We continue to work closely with Commonwealth officials and last week Ben Civiletti met with their Attorney General who asserted a need for motor vehicles and additional money for increased police manpower. We plan

to assemble security experts to review the POPR plans and suggest improvements and to ask GSA to lend motor vehicles.

While responsibility for security per se rests entirely with POPR, under PRM 30, the Justice Department is the Executive's action agent for prevention and reaction to possible terrorist incidents such as bombings which are federal as well as state criminal violations.

3. The Terrorist Threat

On the basis of initial "threat assessments" by FBI, Police of Puerto Rico, and the State Department, the terrorist threat appears substantial. As you know, Puerto Rico independence groups located in Puerto Rico and in cities on the East Coast have a long history of terrorist bombings. In addition, with a large delegation of athletes and officials from Cuba, there would seem to be danger of terrorist acts by anti-Castro Cuban Groups which also are based both in San Juan and various East Coast cities. Finally, the State Department has identified half a dozen serious terrorist groups based in Central and South American countries. While we have no intelligence of specific plans of either foreign or domestic groups to engage in terrorist acts during the Games, we cannot exclude such a possibility. Moreover, the physical circumstances of the Games are very difficult: Approximately 80 sites are involved -- 27 competition sites, three residential villages and more than 40 practice sites.

The capacity of the Puerto Rico officials for security planning, preparation, and performance does not appear great in light of the considerable danger confronting them. The Governor has not always provided affirmative leadership and delayed assignment of security responsibility to POPR until November which was too late for truly effective planning.

4. Conclusions and Recommendations

There is a reasonable possibility that despite recent progress on security planning, it may become necessary for us or possibly even you to press the Governor to act more vigorously and, perhaps, to increase federal assistance and activity. Further, DOJ and FBI will become involved directly in crisis management if terrorist incidents comparable to those at the Munich Olympics should occur.

RECOMMENDATIONS:

- (1) I think that you should alert the heads of all affected agencies about the current situation and request their priority attention to the Games. (Attached is a draft memo for this purpose)
- (2) The NSC staff should be asked to intensify its monitoring of this matter and perhaps should form a special task group on the Games.

Attachment

MEMORANDUM FOR: Secretary of State

Secretary of Defense Secretary of Commerce

Secretary of Housing & Urban Development

Secretary of Labor

Administrator, General Services Administration

FROM: President Carter

SUBJECT: Federal Assistance for Security Preparations

for Pan American Games

As you may know, the Pan American Games will be held the first two weeks of July 1979, in San Juan, Puerto Rico. While the Games are being sponsored by a private organization (COPAN), responsibility for security rests with the Governor of the Commonwealth of Puerto Rico who has established a Security Committee including the Secretary of Justice, the Commander of the National Guard, and the Acting Superintendent of the Police of Puerto Rico (POPR). POPR is solely responsible for security planning.

With 9,000 athletes and trainers and a large number of officials coming from 34 countries, including Cuba, security problems appear to be substantial. They are complicated by the physical separation of the three residential villages, 27 competition sites and more than 40 practice sites. In addition, initial assessments by POPR, FBI and State (INR) of the threat of possible terrorist acts at the Games indicates that strong security measures are advisable.

FBI, LEAA and other components of Justice have been assisting Commonwealth authorities with training, intelligence and funds. Other federal agencies have also coordinated their activities with Commonwealth agencies. Nevertheless, the Attorney General has advised that the capacities and resources of these Commonwealth agencies seems to be under considerable strain because of the level of security required for the Games.

Therefore, I am directing each of you to give priority attention to any requests for financial aid, permission, material or any other form of assistance from Commonwealth officials. Where it is possible and appropriate to comply with such requests, I trust you will do so.

cc: Attorney General

Note: Inquiries concerning assistance to the Commonwealth may be directed to the offices of the Attorney General or the Deputy Attorney General.

THE WHITE HOUSE

WASHINGTON

February 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ

RE:

Attorney General's memorandum relating to security preparations for Pan American Games

and pending problems

With reference to the above, I recommend that the Attorney General convey this information and the direction from you to the six Cabinet and Department heads <u>personally</u> and orally, rather than in a written form.

If, nevertheless, you decide to sign a written memorandum to them, I urge that you "tone down" the language in the second paragraph. Following is a suggested revision of that paragraph:

With 9,000 athletes and trainers and a large number of officials coming from 35 countries, including Cuba, I am concerned about the security of all participating individuals. Security arrangements are complicated by the physical separation of 3 residential villages, 27 competition sites, and more than 40 practice sites. As I am sure you are aware, in the past a number of international sporting events have been plagued by terrorist acts. Because that threat always exists, strong security measures for these games are advisable.

WASHINGTON

DATE:

05 FEB 79

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

ZBIG BRZEZINSKI

JIM MCINTYRE

BERNIE ARONSON

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

TIM KRAFT

JODY POWELL

JERRY RAFSHOON

JACK WATSON

ANNE WEXLER

SUBTECT:

LELL

ATTORNEY GENERAL BELL MEMO RE SECURITY PREPARATIONS FOR

PAN AMERICAN GAMES AND PENDING PROBLEMS

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1200 PM WEDNESDAY 07 FEB 79

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

See Altachel Memorandum

THE WHITE HOUSE

WASHINGTON

February 7, 1979

JACK WATSON JACK MEMORANDUM FOR RICK HUTCHESON

FROM:

SUBJECT:

Attorney General's Memorandum regarding

Security for Pan American Games in

Puerto Rido

This Memorandum was copied to me as an information item.

I wish to add the following comments for the President's consideration.

- 1. NSC staff have been working with Gene Eidenberg of my staff on approaching the Governor of Puerto Rico to secure his more active leadership in preparing for the games.
- 2. I believe the President should ask my office to make the first White House overture to the Governor. I am concerned that a direct call from the President to the Governor will raise anxiety levels in Puerto Rico and contribute to a self-fulfilling prophecy; i.e., too much advance publicity to preparations to prevent terrorist acts may be a stimulus to the acts themselves. Staff contact with the Governor will reduce this possibility.
- 3. For the same reasons, I am concerned about a Presidential Memorandum to the several Cabinet departments on this matter. The result can be achieved via staff contacts with the Secretaries.

In the reasons stated, I recommend
that the President mot get directly
anvolver, & that I handle hoth the
necessary emtacts with the Governme
of Prento Rico & the Cabinet Secretories— SALL

ID 790024

THE WHITE HOUSE

XC: But V Frank

WASHINGTON

05 FEB 79

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI

BOB LIPSHUTZ

1979 FEB 5 PM 6 59

JIM MCINTYRE

BERNIE ARONSON

INFO ONLY:

THE VICE PRESIDENT

TIM KRAFT

JERRY RAFSHOON

HAMILTON JORDAN

JODY POWELL

JACK WATSON

ANNE WEXLER

SUBJECT:

ATTORNEY GENERAL BELL MEMO RE SECURITY PREPARATIONS FOR

PAN AMERICAN GAMES AND PENDING PROBLEMS

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)

1200 PM WEDNESDAY 07 FEB 79

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I agree with Bob's suggestion -- Bell should do orally at a Cabinet meeting.

Stu Eyuntat

97et79

THE WHITE HOUSE

WASHINGTON

February 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER

SUBJECT:

Attorney General's Memorandum Relating to Security Preparations for Pan American

Games and Pending Problems

I concur with the recommendations from Stu, Jack and Bob that communication to the six agencies be done personally (whether at a Cabinet meeting or otherwise), rather than in a written memorandum.



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 9 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR.

SUBJECT:

Attorney General Bell's Memo Regarding Security Preparation for Pan American

Games

We are very supportive of the efforts of the Attorney General to provide assistance to the Commonwealth of Puerto Rico for security of the Pan American Games. We would hope that he would continue to work with Puerto Rican officials and other Federal agencies to offer appropriate assistance.

The memorandum proposed for your signature, however, causes us several concerns:

- 1. It will inevitably be leaked and draw public attention to the potential security problems at the Games. This could encourage some individuals or groups to undertake disruptive activities.
- 2. It implies that you are in some way responsible for security at the Games. As a practical matter, you have relatively little control over such security matters, which are the responsibility of the Puerto Rican Government. Given the potential for problems and the limits on Federal control, it may not be wise to become personally associated with Game security.
- 3. The mandate to other agency heads is too broad and unnecessarily involves you in decisions to reallocate assistance to Puerto Rico. The wording of the proposed directive "to give priority attention to any request for financial aid...or any other form of assistance", and the instruction to approve such requests, if possible and appropriate, could easily be interpreted by Puerto Rican and agency officials as a call for providing fiscal assistance through a broad range of programs.

As an alternative to becoming personally involved, we would suggest that you authorize the Attorney General to make specific requests, on an informal basis, to agency heads for additional assistance that he feels is necessary. If cooperation is not forthcoming, the matter could be discussed in a Cabinet meeting.

ID 790024

THE WHITE HOUSE

WASHINGTON

DATE:

05 FEB 79

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

ZBIG BRZEZINSKI

JIM MCINTYRE

BERNIE ARONSON

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

TIM KRAFT

JODY POWELL

JERRY RAFSHOON

JACK WATSON

ANNE WEXLER

SUBJECT:

ATTORNEY GENERAL BELL MEMO RE SECURITY PREPARATIONS FOR

PAN AMERICAN GAMES AND PENDING PROBLEMS

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY: 1200 PM WEDNESDAY 07 FEB 79

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SECRET

February 9, 1979

MEMORANDUM FOR:

RICK HUTCHESON

SUBJECT:

Judge Bell's Memorandum on Security for the Pan Am Games (U)

The Attorney General is correct in his assessment of dangers and problems in planning security for the Pan Am Games in San Juan this summer (see Tab A). The President should be aware, however, that a number of actions have been taken at the NSC staff level. (C)

First, the SCC Executive Committee on Terrorism has been following the matter throughout the fall and soliciting reports from Justice. See Tab B for the latest example. (C)

Second, Civiletti's Associate, Paul Michel (who is also deputy chairman of the SCC Executive Committee on Terrorism), has been invited to a meeting of the Critical Collections Problems Committee sub-group for terrorism at which time the issues of collectiing intelligence on the foreign threat will be discussed and Justice's special concern registered. The Intelligence Community is reluctant to become highly aggressive in collection on the Pan Am Games for fear of creating a "threat" by calling attention to the opportunities for terrorism. There is no Intelligence reluctance, however, to be supportive of the FBI by providing all available intelligence. (S)

Third, the Department of the Army is the executive agency for military support to Justice for maintenance of domestic order. Justice must go to the Army; the Army cannot legally invite itself into the act. There is not only no reluctance within the Army to provide support within legal limits, but Defense first called attention to the Pan Am Games problem last fall. (U)

Everyone agrees that the local authorities in Puerto Rico may not be adequate for the task. How far to go in letting the Federal Government substitute for local inadequacies is not a proper issue for NSC decision alone, but if the President desires, we shall assist or advise on all aspects that fall within the NSC area. (C)

SECRET Review on February 9, 1985

Per; Rac Project
ESDN; NLC-126-16-18-1-4
BY KS NARA DATE 7/9/13

SECRET-

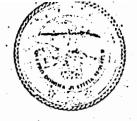
On the recommendation that the President send a memorandum to the agencies, that may be advisable, not only for Judge Bell's reasons but also for putting the President on the side of pridence and prior planning. It should be re-drafted, however, to include acknowledgement that Defense and State (and perhaps the others) have contributed considerable support already. (C)

On the request for an NSC monitoring mechanism, if the President finds that desirable, a sub-group of the NSC Executive Committee on Terrorism can be formed --it effectively exists on an informal basis under Colonel Odom's direction at present -- and a representative from Jack Watson's staff shall be included.

Christine Dodson Staff Secretary

cc: Jack Walson





Office of the Attorney General Washington, N. C. 20530

February 1, 1979

MEMORANDUM FOR:

President Carter

FROM:

Griffin B. Bell Attorney General

SUBJECT:

Security Preparations for Pan American

Games and Pending Problems

1. Background

The Games will be held the first two weeks of July 1979 in San Juan, Puerto Rico. Authorities expect 9,000 athletes and trainers, 1,000 foreign officials and VIP's and more than 20,000 sports fans, representing 34 nations in the Western Hemisphere, including the United States. Responsibility for security rests with the Commonwealth of Puerto Rico and last November was assigned by the Governor to the Police of Puerto Rico (POPR), an island-wide force of 9,000. Basic security will be provided by about 3,000 uniformed men: 2,000 from the POPR and 1,000 from the National Guard which has a total of 9,000 men.

2. <u>Justice's Role</u>

To date, the Justice Department's participation has been essentially twofold:

- (1) FBI has provided: experts to help with the planning, training concerning SWAT team operations and bomb disposal, and intelligence.
- (2) LEAA has agreed to provide three million dollars in reprogrammed funds for training, salaries and overtime for Guard and Police personnel on a basis similar to LEAA support of the 1976 Convention in New York City.

We continue to work closely with Commonwealth officials and last week Ben Civiletti met with their Attorney General who asserted a need for motor vehicles and additional money for increased police manpower. We plan to assemble security experts to review the POPR plans and suggest improvements and to ask GSA to lend motor vehicles.

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3. The Terrorist Threat

On the basis of initial "threat assessments" by FBI, Police of Puerto Rico, and the State Department, the terrorist threat appears substantial. As you know, Puerto Rico independence groups located in Puerto Rico and in cities on the East Coast have a long history of terrorist bombings. In addition, with a large delegation of athletes and officials from Cuba, there would seem to be danger of terrorist acts by anti-Castro Cuban Groups which also are based both in San Juan and various East Coast cities. Finally, the State Department has identified half a dozen serious terrorist groups based in Central and South American countries. While we have no intelligence of specific plans of either foreign or domestic groups to engage in terrorist acts during the Games, we cannot exclude such a possibility. Moreover, the physical circumstances of the Games are very difficult: Approximately 80 sites are involved -- 27 competition sites, three residential villages and more than 40 practice sites.

The capacity of the Puerto Rico officials for security planning, preparation, and performance does not appear great in light of the considerable danger confronting them. The Governor has not always provided affirmative leadership and delayed assignment of security responsibility to POPR until November which was too late for truly effective planning.

4. Conclusions and Recommendations

There is a reasonable possibility that despite recent progress on security planning, it may become necessary for us or possibly even you to press the Governor to act more vigorously and, perhaps, to increase federal assistance and activity. Further, DOJ and FBI will become involved directly in crisis management if terrorist incidents comparable to those at the Munich Olympics should occur.

RECOMMENDATIONS:

- (1) I think that you should alert the heads of all affected agencies about the current situation and request their priority attention to the Games. (Attached is a draft memo for this purpose)
- (2) The NSC staff should be asked to intensify its monitoring of this matter and perhaps should form a special task group on the Games.

Attachment

MEMORANDUM FOR: Secretary of State

Secretary of Defense Secretary of Commerce

Secretary of Housing & Urban Development

Secretary of Labor

Administrator, General Services Administration

FROM:

President Carter

SUBJECT:

Federal Assistance for Security Preparations

for Pan American Games

As you may know, the Pan American Games will be held the first two weeks of July 1979, in San Juan, Puerto Rico. While the Games are being sponsored by a private organization (COPAN), responsibility for security rests with the Governor of the Commonwealth of Puerto Rico who has established a Security Committee including the Secretary of Justice, the Commander of the National Guard, and the Acting Superintendent of the Police of Puerto Rico (POPR). POPR is solely responsible for security planning.

With 9,000 athletes and trainers and a large number of officials coming from 34 countries, including Cuba, security problems appear to be substantial. They are complicated by the physical separation of the three residential villages, 27 competition sites and more than 40 practice sites. In addition, initial assessments by POPR, FBI and State (INR) of the threat of possible terrorist acts at the Games indicates that strong security measures are advisable.

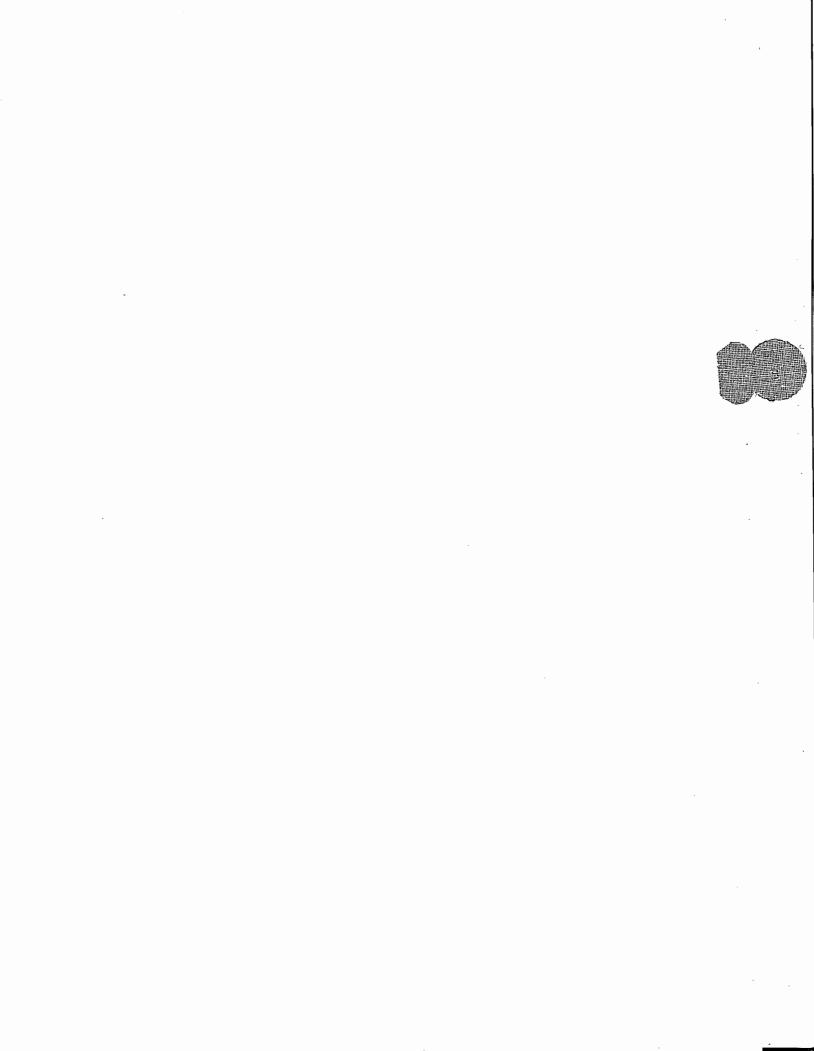
Commonwealth authorities with training, intelligence and funds.

Other federal agencies have also coordinated their activities with Commonwealth agencies. Nevertheless, the Attorney General has advised that the capacities and resources of these Commonwealth agencies seems to be under considerable strain because of the level of security required for the Games.

Therefore, I am directing each of you to give priority attention to any requests for financial aid, permission, material or any other form of assistance from Commonwealth officials. Where it is possible and appropriate to comply with such requests, I trust you will do so.

cc: Attorney General

Note: Inquiries concerning assistance to the Commonwealth may be directed to the offices of the Attorney General or the Deputy Attorney General.



UNITED STATES

ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

THE ADMINISTRATOR

February 9, 1979

To: The President

From: Doug Costle

For your information.

Caldwell lauds regulion as a spur to innovatation

DETROIT. — Typical cars of the 1980s will be 100 percent more fuel-efficient than those of 1974, according to Philip Caldwell, vice chairman and president of Ford Motor Co.

The increased stinginess will result from an "explosion" of new applications in electronics and other "explosions in materials substitution and the use of computer technology in design and manufacture." he told an industry dinner held in connection with the Detroit Auto Show.

Caldwell was discussing what he termed the opportunities provided by government regulations. Those rules, he said, have initiated "revolutionary changes" in auto design that are creating "a great new market."

"We used to be accused of planned obsolescence," he said. "But since the government stepped in, there's no question about planned obsolescence, and it's the government that is doing the planning, or at least the pushing."

Ford, he said, will be launching 22 major new programs in 1978-85, compared with six in the prior eight years. The company will be introducing an average of one new engine per year in 1980-84, compared with one every 2.4 years in 1968-79.

"And during the same period we'll be averaging one new transmission per year, compared with one every four years for the prior 15 years."

Caldwell said he was not wor-

ried about 1979 marketing prospects. "Our economists aren't expecting any more than a pause in the growth rate," he said: "We're projecting that Gross National Product will grow at a rate of about 3 percent, compared to the 4.9 percent last year.

"That's a far cry from hard times, and nothing at all like the recession of 1974-75."